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BEFORE THE ARIZONA CORPORATIO

IN THE MATTER OF:

JEFFRIE HARPER (CRD #2863910) (aka
 Jeff Harper) and KATHLEEN JANICE
 HARPER, husband and wife;

DOCKET NO.

S-20649A-09-0013

DONALD ROBERT MATTSON, JR. (aka
 Rob Mattson) and JANE DOE MATTSON,
 husband and wife;

STATUS CONFERENCE

KNUCKLEBALL CAPITAL MANAGEMENT,
 LLC, an Arizona limited liability
 company;

Respondents.

At: Phoenix, Arizona

Date: May 7, 2009

Filed: MAY 21 2009

REPORTER'S TRANSCRIPT OF PROCEEDINGS

Arizona Corporation Commission

DOCKETED

MAY 21 2009

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1 BE IT REMEMBERED that the above-entitled and
2 numbered matter came on regularly to be heard before the
3 Arizona Corporation Commission, in Hearing Room 1 of said
4 Commission, 1200 West Washington Street, Phoenix, Arizona,
5 commencing at 10:33 a.m. on the 7th day of May, 2009.

6
7 BEFORE: MARC E. STERN, Administrative Law Judge

8 APPEARANCES:

9
10 For the Arizona Corporation Commission:

11 Ms. Aikaterine Vervilos
12 Staff Attorney, Securities Division
13 1300 W. Washington Street
14 Third Floor
15 Phoenix, Arizona 85007

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17 JODY L. LENSCHOW, RMR, CRR
18 Certified Reporter
19 Certificate No. 50192

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1 ALJ STERN: This matter is now open in the
2 matter of Jeffrie Harper, et al. in Docket
3 No. S-20649A-09-0013. My name is Marc Stern, and I'll
4 preside over this proceeding today and will now take
5 appearances in the matter.

6 Do you want to enter your appearance, ma'am?

7 MS. VERVILOS: Sure. Aikaterine Vervilos for
8 the Division.

9 ALJ STERN: All right. We have Ms. Vervilos
10 here for the Division, and before we went on the record we
11 had an off-the-record discussion. Correct me if I'm
12 wrong. Ms. Vervilos advises me that there is a pending
13 settlement in the form of a consent order that's going to
14 go before the Commission on May 20th for Mr. Mattson; is
15 that correct?

16 MS. VERVILOS: That's correct.

17 ALJ STERN: Apparently no one represents
18 Knuckleball Capital Management. That will default --

19 MS. VERVILOS: That's correct.

20 ALJ STERN: -- at some point.

21 MS. VERVILOS: That is also scheduled for the
22 May 20th.

23 ALJ STERN: Oh, it is?

24 MS. VERVILOS: Yes.

25 ALJ STERN: Okay. With respect to Mr. Harper,

1 Ms. Vervilos has informed me that the Harpers' attorney,
2 Rebecca Setlow, is apparently having a medical problem and
3 is going to be withdrawing from the case, and apparently
4 another attorney, Ashley Adams, will substitute in and
5 enter an appearance on behalf of the Harpers.

6 But in the meantime, in the event the Harpers do
7 not secure counsel, the Division will request a status
8 conference be scheduled between themselves and the Harpers
9 and which we will set a further status conference. If the
10 matter can't be resolved, then we'll schedule a hearing.
11 Is that agreeable, Ms. Vervilos?

12 MS. VERVILOS: Yes, Your Honor, it is.

13 ALJ STERN: I'll leave it up to you then to
14 check with the respective counsel. Maybe you can -- is
15 Ms. Setlow still practicing?

16 MS. VERVILOS: From the conversation I had with
17 her yesterday afternoon, she told me she's going to have
18 an extended time period off, and I don't know how long
19 that's going to be.

20 ALJ STERN: You don't know when she's going to
21 start that?

22 MS. VERVILOS: No, I do not know.

23 ALJ STERN: Okay, well, maybe you can at least
24 contact her to ask her to withdraw, if that's what she's
25 going to do, or their firm file a notice of withdrawal or

1 something, whatever, and let Ms. Adams know. She's been
2 here; Ms. Adams I think has been involved on a couple of
3 cases.

4 MS. VERVILOS: Yes.

5 ALJ STERN: So ask her to enter a notice of
6 appearance if, in fact she's going to represent them,
7 because either way we'll schedule -- if somebody
8 substitutes in, fine. We'll schedule another status
9 conference or something. If not, then request that we
10 have a status conference and we'll notice the Harpers and
11 try and get this thing taken care of.

12 MS. VERVILOS: Sounds good.

13 ALJ STERN: Okay. All right, thank you for your
14 time today. That concludes this matter, and I'll wait
15 until I see something either get filed by the other
16 attorneys or yourself, whatever may be the case.

17 MS. VERVILOS: All right. Thank you, Your
18 Honor.

19 ALJ STERN: Okay. Thank you.

20 (The status conference concluded at 10:36 a.m.)

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1 STATE OF ARIZONA)
2 COUNTY OF MARICOPA) ss.
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7 I, JODY L. LENSCHOW, RMR, CRR, Certified
8 Reporter No. 50192 for the State of Arizona, do hereby
9 certify that the foregoing printed pages constitute a
10 full, true and accurate transcript of the proceedings had
11 in the foregoing matter, all done to the best of my skill
12 and ability.

13 WITNESS my hand this 18th day of May, 2009.
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20 Certified Reporter
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